



**Date:** May 15, 2023

**To:** Wanda S. Page, City Manager  
**Through:** Keith Chadwell, Deputy City Manager  
**From:** Sara M. Young, AICP, Planning Director  
**Subject:** Consolidated Annexation – Carpenter Preserve

### **Executive Summary**

A request for a utility extension agreement, voluntary annexation and initial zoning map change has been received from Jarrod Edens, of Edens Investments, Inc. for one parcel of land totaling 132.033 acres and located at 2621 Burton Road. This annexation petition (Case BDG2300004) is for a contiguous expansion of the primary corporate limits (See Annexation Overview Map, Attachment D). The applicant intends to develop the property as 260 residential townhouse and single-family units, and has proffered five building pads to be donated to Habit for Humanity of Durham, Inc.

The properties are currently designated Very Low Density Residential and Recreation and Open Space on the Future Land Use Map (FLUM) (Attachment C). If the proposed zoning is approved, there will be no change to the Future Land Use Map designation of Low Density Residential and Recreation and Open Space.

The applicant is not seeking a change in the underlying zoning district as part of this annexation petition. A direct translational zoning is one in which the existing County zoning is translated to the identical City zoning district upon the annexation of the property into the City. A translational zoning does not include a development plan, and any future development may proceed according to what the zoning would allow. While the current use of the property is vacant, future development under the existing zoning of Residential Rural (RR) allows for agricultural activities, single-family residential development on lots of one acre or greater, and conservation subdivisions. Commercial and industrial development is prohibited in the Residential Rural (RR) zoning district.

### **Motion**

To conduct a public hearing to receive comments and consider the following motions:

**Motion #1:** To adopt an ordinance annexing 'Carpenter Preserve' into the City of Durham effective June 30, 2023; and to authorize the City Manager to enter into a utility extension agreement with Edens Investment Inc.;

**Motion #2:** To adopt an ordinance amending the Unified Development Ordinance by taking property out of the Residential Rural (RR), Falls/Jordan District – B (F/J-B), County Jurisdiction and establishing the same as Residential Rural (RR), Falls/Jordan District – B (F/J-B), City Jurisdiction; and

**Motion #3:** To adopt a Consistency Statement as required by NCGS 160D-605.

## **Background**

The Carpenter Falls (BDG2200008) case was heard by Council on March 6, 2023. At that meeting, the Council denied the annexation petition by a vote of 3-3. As state statutes do not require a waiting period for resubmission of a voluntary annexation petition to the jurisdiction, the applicant has submitted a new petition.

Voluntary annexations are governed by NCGS 160A-31. In addition, the Durham City Code of Ordinances maintains additional requirements. Insofar as possible, City policy is to avoid gaps in the corporate boundary as they may result in increased costs and service delivery impacts.

In order to avoid a situation in which newly annexed property does not have a zoning designation, NCGS § 160D-202(g) requires that a municipality annexing property, impose municipal zoning on the property within 60 days of the annexation effective date. This is often called an “initial zoning”.

The proposed initial zoning associated with this annexation request (Case Z2200011A) is a direct translation from RR County Jurisdiction to RR, City Jurisdiction.

## **Issues and Analysis**

### ***A. Annexation Impact Analysis***

City staff has analyzed the potential impacts of this proposed development and: 1) the proposed development of this property is found to be revenue positive based upon a cost-benefit analysis conducted by the City’s Budget and Management Services Department and 2) operational impacts have been captured in the chart located in the Financial Impact Section below.

### ***B. Utility Extension Agreement***

The applicant has applied for a utility extension agreement for approval by City Council. Water Management and Public Works performed the utility impact analysis for the utility extension agreement and determined that the existing City of Durham water and sewer mains have capacity to serve the project. The Property will connect to the existing eight-inch waterline Carpenter Road and the 16-inch waterline in Burton Road. The Property will connect to the existing 15-inch sanitary sewer outfall within the property. There will be no City participation in the cost of any of the water and sewer improvements.

The applicant has proffered, through the Utility Extension Agreement (UEA), a maximum of 260 residential units, with a minimum of 25% of those units being townhomes. In addition, the project will include two different standard single-family lot widths and one standard townhome width. The applicant has also proffered, through the UEA, that five completed residential pads will be provided to Habitat for Humanity of Durham, Inc.

### ***C. Establishment of Zoning Jurisdiction***

As discussed in the Background section, above, if a property is annexed, a municipality should impose its zoning within 60 days of the annexation effective date in order to prevent the property from not having a zoning designation. In association with this annexation request, the applicant

requests a change from Residential Rural (City Jurisdiction) to Residential Rural (County Jurisdiction) zoning.

**D. Affordable Housing**

Affordable housing is a priority in Durham. As such, staff is tracking affordable housing proffers. The chart below includes all mechanisms for affordability proffered through the legislative process, including: utilization of the affordable housing density bonus, income-restricted unit proffers, low-income housing tax credit projects (LIHTC), applicant-funded projects, and the construction and deeding of units to an affordable housing non-profit.

Year Case Submitted	2020	2021	2022	2023	Total
Approved Units of Affordable Housing	23	424	38	5	490
Cases Pending Approval with Affordable Units	12	0	276	127	415
Total Proffered Units of Affordable Housing	35	424	314	132	902

\*As of 4.26.2023

The applicant has proffered through the Utility Extension Agreement (UEA) that there will be a maximum of 260 residential units, with a minimum of 25% of those units being townhomes. In addition, the project will include two different standard single-family lot widths and one standard townhome width. The applicant has also proffered, through the UEA, that five completed residential pads will be provided to Habitat for Humanity of Durham, Inc.

**Alternatives**

**1. Deny the Annexation and the Utility Extension Agreement**

City Council may elect to deny the voluntary annexation petition and utility extension. If the council denied the annexation, no action would be taken on the zoning map change or consistency statement as the site would not be within the City limits.

**Financial Impact**

The estimated General Fund revenues generated from this annexation at buildout in FY2025-26 are \$634,277. The estimated General Fund expenditures associated with providing City services at buildout are \$133,685. The estimated cumulative General Fund net gain to the City at buildout is \$1,080,907. These calculations do not include Impact Fee revenues, as these support Capital Improvement Projects. A cost-benefit analysis is attached that provides cost and revenue projections through FY2030-31 (see Attachment F). The chart below contains additional details regarding departmental revenue and expense projections.

	Revenues	Expenses
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Fire	No revenues anticipated.	<p><b>Capital Expenses</b> The following capital expenses will be required to support the annexation petition over a 10-year period, post-construction: \$0</p> <p><b>Equipment Expenses</b> The following equipment-related costs and purchases will be required to support the annexation petition over a 10-year period, post-construction: \$708,848</p> <p><b>Personnel Expenses</b> The following personnel costs will be required to support the annexation petition over a 10-year period, post-construction: \$120,200</p>
Planning	The department anticipates receiving \$29,872 in development review fees for this requested annexation.	No additional expenses are anticipated.
Police	No additional revenues are anticipated.	<p>The overall impact of the Annexation on the Durham Police Department is determined by examining several variables, including the size of the development, cost per square mile to deliver police services (sworn and civilian support), number of estimated residents in the area, and level of service for the beat(s) that will be impacted by the development.</p> <p>The City of Durham Police Department utilizes a formula to identify the cost of service delivery as it relates to area and population. This formula identifies the proposed increase in population and proposed increase in square miles of land, and multiplies those values by number of officers and officer expenditures to identify a service cost for the</p>

		new area. The proposed annexation has first year service cost of approximately \$66,495, a second year service cost of approximately \$72,931, and thereafter a reoccurring yearly service cost of approximately \$87,473 to the City of Durham to provide Police services
Public Works	The department expects increased fees and reimbursements, in proportion to the linear feet of streets added to the system. One-time Inspections and development review fees that apply to the build only are not included. Additional revenues over the analysis period are estimated at \$1,778.	<b><u>Street Maintenance</u></b> While there is not expected to be any direct repaving or other long term rebuild on these streets in the short term, there may be routine utility cuts, patching, etc. required depending on when these streets are accepted and their condition at that point. There will also be winter weather costs, could be potholes, etc. as with any other street. Total proportional costs at the current level of services over the analysis period total \$142,415.
Solid Waste	Yard Waste subscribers are charged \$90 per year for the optional yard waste service. Based on the current subscriber patterns \$42,930 can be expected over the analysis period for these homes.	Overall impact Garbage: Total proportional costs at the current level of services over the analysis period total \$151,817. Recycling: Total proportional costs at the current level of services over the analysis period total \$57,709. Yard Waste: Total proportional costs at the current level of services over the analysis period total \$25,900.
Transportation	The City anticipates collecting approximately \$1204 in Paratransit revenues and \$2,892 in Powell bill revenues over the 10-year analysis period.	The City anticipates total costs associated with the project over the 10-year analysis period as follows: \$39,638 street lighting, \$1,430 for signs, \$191 for street markings, and \$37,554 for Paratransit service.

#### Equal Business Opportunity Summary

This is a consolidated annexation. It was not reviewed by the Finance Department for compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

**Contractor Workforce Diversity & Hiring Practices**

Due to the nature of this agenda item, obtaining Contractor Workforce Diversity & Hiring Practices information is not applicable.

**Staff Contact**

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**Attachments**

- Attachment A:** Zoning Context Map
- Attachment B:** Aerial Map
- Attachment C:** Future Land Use Map
- Attachment D:** Annexation Overview Map
- Attachment E:** Utility Vicinity Map
- Attachment F:** Cost Benefit Analysis
- Attachment G:** Clerk's Certification
- Attachment H:** Utility Extension Agreement
- Attachment I:** Annexation Ordinance
- Attachment J:** Zoning Ordinance
- Attachment K:** Planning Commission Resolution
- Attachment L:** Social Pinpoint Comments
- Attachment M:** UEA Text Commitments